General Audit Chamber

Algemene Rekenkamer

Audit into the Governance and Financial Management of the Minister Plenipotentiary

September 2026

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General Audit Chamber, Juancho Yrausquin Blvd #10, Unit 4 & 5.

FOREWORD

This report presents the results of the audit on the governance and financial management of the Cabinet of the Minister Plenipotentiary of Sint Maarten. The Minister Plenipotentiary represents Sint Maarten within the Kingdom of the Netherlands and maintains relations with stakeholders. Given this role, the institutional structure, governance arrangements, and financial management practices should be clear, transparent, and well-founded.

In this report 'the Cabinet' refers to the organizational structure that supports the Minister Plenipotentiary in practice. The Cabinet itself is not a separate legal entity.

During the audit, we found that public funds allocated for the Cabinet of the Minister Plenipotentiary are transferred to a Dutch private-law Foundation. Funds subsequently move between the Foundation and the Cabinet account for operations. As the Foundation is a separate legal entity and is not part of the Government of Sint Maarten, written consent was obtained from the Foundation and the Minister Plenipotentiary to examine the funds and related financial activities. The structure and flow of funds are further examined in this report from the perspective of public accountability and oversight.

The purpose of this audit is to provide insight into the legal basis, organizational structure, and financial processes surrounding the role of the Minister Plenipotentiary and the Cabinet. The audit also examines how responsibilities are defined, how funds are managed, and the extent to which existing arrangements support accountability and proper oversight.

Throughout the audit, we received constructive cooperation from the Cabinet of the Minister Plenipotentiary. Cooperation with the Ministry of General Affairs was also generally constructive. However, we requested documentation from the Government Records and Information Management Department (DIV) on several occasions during the audit. Access to these records was eventually obtained, which allowed us to identify financial arrangements involving the Foundation and banking arrangements in The Netherlands.

We also considered including a comparison with the arrangements in Aruba and Curaçao. We approached the Minister Plenipotentiary of Curaçao; however, we were informed that a separate audit was ongoing at the time. A broader comparison with other countries within the Kingdom was therefore not pursued.

The General Audit Chamber appreciates the cooperation received from the Minister Plenipotentiary, the Cabinet of the Minister Plenipotentiary, the Ministry of General Affairs, and the Ministry of Finance.

CONTENT

SUMMARY

The Minister Plenipotentiary is a member of the Council of Ministers of the Kingdom and, pursuant to Article 10 of the Kingdom Charter, participates in deliberations concerning Kingdom affairs.

In practice, the Minister Plenipotentiary and Cabinet conduct a broader range of representational, administrative and support activities. We identified specific arrangements for some activities, but no comprehensive formally established framework defining the overall scope of these activities, the respective responsibilities, and the related accountability requirements.

We found that the Cabinet operates through a structure involving a Dutch private-law Foundation. Archival records from 2011 show that Government approved the transfer of XCG 500,000 to the Foundation. At the time, Government also stated that conditions needed to be established for the accounting and reporting by the Cabinet. However, we were unable to establish that these conditions resulted in a formal framework governing the financial relationship between the Country, the Cabinet and the Foundation, including the applicable accountability requirements and responsibilities for oversight.

Although annual budgets are incorporated within the Ministry of General Affairs and approved by Parliament, there is limited transparency regarding the use of the funds after they are transferred to the Foundation. The Foundation is not formally subject to Sint Maarten’s public financial management framework. In practice, annual audited financial information is prepared and submitted to the Ministries of General Affairs and Finance. However, the formal basis for these reporting arrangements remains unclear, including which entity is legally responsible for the financial reporting and how the Foundation is accountable to Government and Parliament.

At the same time, we found that the Cabinet developed various draft policies, procedures, and governance documents intended to organize and formalize its operations. These efforts demonstrate awareness of the need for greater structure and accountability. However, we found limited evidence that these initiatives resulted in a legal and governance framework.

At the operational level, the audit identified areas where financial management and internal control can be improved, assessed against the Cabinet's documented procedures and the internal-control principles examined during the audit. The sampled invoices contained payment approvals, but no purchase orders were attached, and the documentation did not provide a complete audit trail of the required control steps. Segregation of duties could also be strengthened through additional compensating controls.

Overall, we conclude that the current arrangement has resulted in an accountability gap. While the Cabinet and Foundation operate within a structure that has developed over time, Government remains responsible for establishing a clear legal, governance, and accountability framework for the use of public funds. The absence of such a framework over an extended period indicates that the governance, accountability, and oversight arrangements surrounding the Cabinet of the Minister Plenipotentiary require attention.

RECOMMENDATIONS

The recommendations below are intended to improve governance, transparency, accountability, and financial management, while we recognize that the responsibility for improvements is shared between Government and the (Cabinet of the) Minister Plenipotentiary.

For Government, we issue the following recommendations:

1. Decide on the future governance structure

Government should decide whether the current governance structure involving a Foundation and a Cabinet should be formalized, fundamentally revised, or replaced by an alternative arrangement. This decision should establish the institutional structure, the role of any supporting entity, and the accountability framework applicable to public funds.

2. Clarify the mandate of the Minister Plenipotentiary

Government should define the intended scope of activities of the Minister Plenipotentiary and distinguish between activities that are inherent or supportive to the constitutional representation role and additional governmental responsibilities that require a specific assignment, mandate, or policy decision.

3. Clarify the governance relationship with the Minister Plenipotentiary

Government should formally clarify the governance and accountability relationship between the Council of Ministers, the Minister of General Affairs, and the Minister Plenipotentiary. The Kingdom Charter provides that the Minister Plenipotentiary represents the Government of Sint Maarten. Government should therefore establish how instructions to the Minister Plenipotentiary are provided and how the Minister reports and accounts for the performance of responsibilities assigned by Government.

The framework should also clarify the basis for approval arrangements. During the audit, we found that budgets, internal policies, operational documents, and other requests were in practice submitted to the Ministry of General Affairs for review or approval. We did not identify a clear legal or formal basis for this practice. Government should define which matters, if any, require approval, who has authority to provide such approval, and the basis for that authority.

4. Require financial accountability for public fund managed through the Foundation

Government should formally assess and document the (legal) basis for transfers between the Country, the Foundation, and the operational bank account used by the Minister Plenipotentiary and the Cabinet. This assessment should clarify the status and ownership of the funds at each stage and the responsibilities for oversight and accountability. Government should also establish reporting requirements that enable Government and Parliament to obtain sufficient assurance regarding the management of these funds. The existing annual financial reporting practices can be incorporated into this formal framework.

5. Review and modernize the remuneration and benefits framework

Government should review the 2012 Council of Ministers decision and establish a transparent and generally applicable framework governing remuneration, benefits, travel entitlements, housing arrangements, and other facilities provided to the Minister Plenipotentiary and Deputy Minister Plenipotentiary.

To the Minister Plenipotentiary, we issue the following recommendations:

1. Document the basis for activities and related expenditures

The Minister Plenipotentiary should ensure that the basis on which activities are performed and related expenditures are incurred is documented, particularly for activities that are not directly connected to participation in the Kingdom Council of Ministers. This documentation should, where applicable, include a Government decision, instruction, agreement, mandate, or other documented arrangement.

2. Strengthen the existing asset administration and physical verification

The Minister Plenipotentiary should ensure that the existing asset administration is strengthened by maintaining a current inventory that can be reconciled with the fixed-asset administration and by periodically verifying the physical existence and location of assets. The inventory should, where relevant, include a unique asset reference, description, acquisition information, location or custodian, condition, and disposal information.

3. Strengthen segregation of duties

The Minister Plenipotentiary should ensure that the segregation of duties in financial management is strengthened. The audit revealed that responsibilities like committing funds, approving payments, and conducting control activities were often held by just one or a few individuals. Although the organization's size might restrict complete segregation, implementing additional controls and independent reviews could help mitigate the risk of errors.

4. Clarify the preparation and signing of financial statements

The Minister Plenipotentiary should seek clarification from the Government on the preparation, approval, and signing of financial statements associated with the Cabinet and Foundation structure.

During the audit, we found that the annual financial statements were signed by the Minister Plenipotentiary on behalf of the "Cabinet of the Minister Plenipotentiary," while the legal status of the Cabinet and the relationships among the Cabinet, the Foundation, and the Government are not clearly defined. We recommend greater clarity regarding the reporting entity, the responsible signatories, and the applicable accountability framework.

1. EXPLANATION OF THE AUDIT

1.1 Legal framework

Our audit mandate is established in the National Ordinance General Audit Chamber. This mandate includes the examination of the management and use of public funds and provides us with the authority to obtain information necessary for the performance of our statutory duties.

The funds examined in this audit originate from the national budget and are appropriated by Parliament under the budget of the Ministry of General Affairs. They are subsequently transferred to the Foundation (*Stichting Kabinet Sint Maarten*), a separate Dutch private-law legal entity, and are used to finance the operations of the Cabinet. Portions of these funds also move between the Foundation and an ABN AMRO bank account registered in the name of the Cabinet of the Minister Plenipotentiary.[1]

The Foundation is not part of the Government of Sint Maarten. As a result, our authority to directly audit the Foundation does not follow solely from the public origin of the funds transferred to it. We therefore obtained written consent from the Foundation and the Minister Plenipotentiary to examine the funds and related financial activities. Obtaining consent nevertheless illustrates the broader accountability issue examined in this report, namely that public funds appropriated by Parliament are administered through a private-law structure without a formal framework clearly establishing the applicable public accountability arrangements and our access to the underlying financial administration.

1.2 A longstanding accountability gap

The financial arrangements underlying the current structure date back to the early years of Country Sint Maarten. Under this structure, funds originating from the public budget are transferred to and administered by a private-law entity outside the direct financial administration of the Country.

Although financial reporting, external auditing, and other control mechanisms exist in practice, we did not identify a comprehensive formal framework connecting these arrangements to Government and parliamentary accountability for the funds. Given that this situation has continued over an extended period, we consider this a longstanding accountability gap.

1.3 Audit questions

The audit aims to answer the following three main questions:

1. Which minister is responsible for the financial management of the Cabinet of the Minister Plenipotentiary?
2. How is the budget of the Cabinet of the Minister Plenipotentiary established, and is this done in accordance with applicable laws and regulations?
3. How are financial obligations, expenditures, and costs incurred, and are these in line with applicable laws and regulations?

1.4 Audit scope

The audit covers the financial management of the Cabinet of the Minister Plenipotentiary over the financial years 2021 through 2025. This includes the allocation of ministerial responsibility for the Cabinet's financial management, the establishment of the Cabinet's budget, and the incurrence of financial obligations, expenditures, and payments. Substantive examination focuses on personnel costs and expenditures on goods and services. Other cost categories were excluded on grounds of materiality. The audit assesses the design, existence, and functioning of governance arrangements and internal controls relevant to these processes.

The audit also assesses the framework within which the Cabinet operates, including the position of the Minister Plenipotentiary under the Kingdom Charter, the Constitution of Sint Maarten and relevant national ordinances, the involvement of the Ministry of General Affairs, and the use of a foundation established under Dutch law for the management of funds and personnel.

[1] ABN AMRO account documentation dated 21 August 2020 identifies the Cabinet of the Minister Plenipotentiary as the account holder.

With respect to the foundation, the audit examines the financial flows between the Cabinet and the foundation, the contractual and governance arrangements between them, and the foundation's accountability to Sint Maarten.

Interviews conducted during the audit included the Director and Legal Advisor of the Cabinet. The Minister Plenipotentiary was not interviewed as part of the audit procedures but was provided with the opportunity to respond during the rebuttal phase.

1.5 Audit terminology

Throughout this report, several closely related terms are used. Because these terms refer to different constitutional, organizational, and legal roles, we distinguish between them as follows:

Minister Plenipotentiary refers to the constitutional officeholder appointed to represent Sint Maarten within the Kingdom of the Netherlands. The Minister Plenipotentiary is a member of the Council of Ministers of the Kingdom and acts on behalf of the Government of Sint Maarten within the framework established by the Kingdom Charter.

Cabinet of the Minister Plenipotentiary (the Cabinet) refers to the organizational structure and staff that support the Minister Plenipotentiary in conducting the functions and activities of the office. The Cabinet is used in practice as an organizational designation but is not a separate legal entity. References in this report to activities or processes of the Cabinet therefore describe the organization in practice and do not imply that the Cabinet itself possesses separate legal personality.

Foundation Cabinet of the Minister Plenipotentiary (the Foundation) refers to the separate legal entity established under Dutch private law. The Foundation is the legal employer of the Cabinet staff at the time of the audit and performs financial, personnel, and administrative functions in support of the operations of the Minister Plenipotentiary and the Cabinet. The Foundation is governed by its Articles of Incorporation and its Board. The Minister Plenipotentiary has certain approval rights under the Articles of Incorporation. These private-law governance arrangements should be distinguished from a public-law hierarchical relationship with the Government of Sint Maarten.

Government refers to the Government of Sint Maarten. Where relevant, the report distinguishes between the Government as a whole, the Council of Ministers, and an individual Minister.

Ministry of General Affairs refers to the Ministry under which the budget allocation associated with the Minister Plenipotentiary and the Cabinet is included in the national budget. References to the Ministry of General Affairs do not, by themselves, imply a hierarchical relationship between the Minister of General Affairs and the Minister Plenipotentiary, except pertaining to budget allocation.

Cabinet account or **bank account used for Cabinet operations** refers to the ABN AMRO bank account registered in the name of the Cabinet of the Minister Plenipotentiary and used to receive and make payments relating to Cabinet operations. The account-holder designation does not, in itself, constitute a conclusion regarding the legal ownership of the account.

2. LEGISLATIVE FRAMEWORK

This chapter provides an overview of the legislative framework for the Minister Plenipotentiary. We explain the tasks and authorities, the budget process, the legal position of the Cabinet of the Minister Plenipotentiary, the governance, and the hierarchical relationships.

2.1 The legal position and authorities of the Minister Plenipotentiary

Under the Charter for the Kingdom of the Netherlands, the Minister Plenipotentiary represents Sint Maarten within the Kingdom Government and participates in the deliberations of the Council of Ministers of the Kingdom.

The role primarily concerns representation, coordination, and safeguarding the interests of Sint Maarten within the Kingdom. If a particular matter gives reason to do so, a Minister may, in addition to the Minister Plenipotentiary, participate in the deliberations in an advisory capacity.[2]

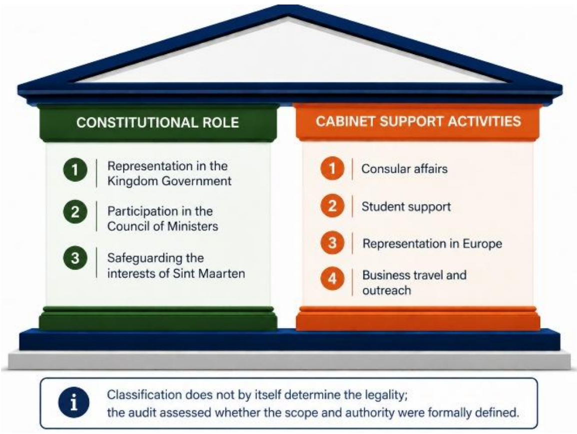
Article 8, paragraph 2, of the Kingdom Charter provides that Government determines who replaces the Minister Plenipotentiary in the event of absence or incapacity.[3] At the time of the audit, no Deputy Minister Plenipotentiary was permanently appointed. The Cabinet provided an example of a 2020 National Decree in which the Director was designated to represent Sint Maarten for a specific meeting of the Kingdom Council of Ministers.[4]

Within the constitutional framework of Sint Maarten, the Minister Plenipotentiary is a constitutional office holder with a defined role at the Kingdom level.[5] If the Minister Plenipotentiary is in Sint Maarten, s/he is given an opportunity to attend meetings of the Council of Ministers regarding matters that concern them. They then have an advisory vote.[6] This position differs from that of a national minister, who holds portfolio responsibility within Sint Maarten. For budgetary and administrative purposes, the associated budget is included under the Ministry of General Affairs.

In practice, the Minister Plenipotentiary is supported by the Cabinet in a broader range of representational, administrative and support activities. These include consular-related activities, support to students in the Netherlands and representation of Sint Maarten in Europe. The Minister Plenipotentiary also attends conferences abroad at the request of a Sint Maarten minister.[7]

The audit did not identify a formal instrument defining the full range of additional activities performed in practice. Specific documentary arrangements exist for certain activities, such as the 2021 MOU with USZV concerning validation of life certificate and mutation forms.[8] For other activities the basis consists mainly of internal policy, administrative practice, budget documents, or individual requests. The extent to which these activities form part of the Minister Plenipotentiary's constitutional role or constitute separately assigned governmental responsibilities, is not formally defined. Figure 1 depicts the activities graphically.

Figure 1: Constitutional role and other activities



[2] Article 10 of the Kingdom Charter.
[3] Article 8, paragraph 2 of the Kingdom Charter.
[4] National Decree of March 30th, with number LB-20/0313.
[5] Chapter 3, paragraph 2 of the Constitution of St. Maarten and article 1 of the National Ordinance on Remuneration of Persons Holding Political Authority.
[6] Article 43, paragraph 6, of the Constitution of St. Maarten.
[7] Interview report with the Director of the Cabinet, d.d. April 7th, 2026, and response during the rebuttal phase d.d. September 7th, 2026
[8] MOU between USZV and the Cabinet of the Minister Plenipotentiary, d.d. October 25. 2021 on validation of life certificate and mutation forms.

2.1.1. Relationship with the Minister of General Affairs

Article 8 of the Kingdom Charter provides that the Minister Plenipotentiary acts on behalf of the Government of Sint Maarten. The audit did not identify a provision establishing hierarchical subordination to the Minister of General Affairs. In practice, the budget is included under General Affairs and internal documents, and administrative practice provides for reporting, coordination, and approval through that Ministry. We did not identify a formally adopted framework defining which matters may be instructed or approved by the Minister of General Affairs, which are decided by the Council of Ministers, and which fall within the responsibility of the Minister Plenipotentiary.

In practice and within several internal documents reviewed during the audit, operational and administrative links are established (in draft) between the Cabinet of the Minister Plenipotentiary and the Ministry of General Affairs, including budgetary, reporting, and administrative arrangements.[9] However, the precise legal nature and scope of this relationship is not formalized in legislation or policy.

We believe that the absence of a clearly formalized framework contributes to uncertainty in practice regarding governance structures and institutional responsibilities within the current arrangement.

2.1.2 Competency requirements for the Minister Plenipotentiary

Under the Charter for the Kingdom of the Netherlands, the formal role of the Minister Plenipotentiary primarily involves representing Sint Maarten within the Kingdom Government and participating in the deliberations of the Council of Ministers of the Kingdom.

In practice, participation in formal Kingdom-level deliberations appears to take place approximately twelve times per year. The function involves participation in discussions and decision-making processes within the Kingdom context. During the audit, we did not identify formal legal function requirements, minimum qualifications, or a competency profile for the position of Minister Plenipotentiary. Appointment to the position therefore appears to remain within the political discretion of the Government.

We recognize that the political nature of the position allows flexibility in appointing individuals with different backgrounds and experience. At the same time, the absence of formal appointment criteria may reduce clarity regarding the qualifications, competencies, and experience considered relevant for the position. We make no assessment of the qualifications or performance of the current Minister Plenipotentiary. Our observation is limited to the absence of a documented profile for the position.

2.2 The Legal position of the Foundation of the Cabinet of the Minister Plenipotentiary

Before going into the tasks and authorities of the Cabinet, it is important to mention the Foundation of the Cabinet of the Minister Plenipotentiary. The Foundation is a legal entity established under Dutch private law.

During the audit, we initially requested documentation showing the formal decision or legal basis for the establishment and continued use of the Foundation in relation to the Minister Plenipotentiary and the Cabinet. Such documentation was not provided to us during the initial audit procedures. Subsequent archival research identified that in 2011, Government approved a proposal to transfer XCG 500,000 to the account of the Foundation. The same records expressly stated that conditions needed to be established for the accounting and reporting by the Cabinet of the Minister Plenipotentiary.[10]

These records demonstrate Government's involvement in the financial arrangements involving the Foundation, but do not establish the Foundation as part of Sint Maarten's governmental structure or define its role, responsibilities, and accountability in relation to the Cabinet. We did not identify evidence that the stated conditions concerning accounting and reporting subsequently resulted in such a formal framework.

The Foundation Cabinet of the Minister Plenipotentiary is a legal entity established under Dutch law. The board consists of three members, one of them, the Chair, is also the Director at the Cabinet. According to its Articles of Incorporation, the primary objective of the Foundation is to support the Minister Plenipotentiary in the execution of his or her duties.

[9] For example: Draft working agreement between the Minister of General Affairs and the Cabinet
[10] 2011 decision on funding arrangements, January 26th, 2011, DIV number 611.

In practice, this support extends beyond facilitation and includes the management of both financial resources and personnel associated with the Cabinet. The Foundation was established for practical and operational reasons, in particular to enable the employment of staff in the Netherlands under Dutch legal and social security frameworks.[11] This includes the administration of salaries, pension contributions, and other employment-related obligations. At the time of the audit, staff working within the Cabinet were formally employed by the Foundation. According to the Cabinet, Government civil servants were also stationed at their office, in earlier years.[12]

In addition to personnel management, the foundation receives and manages the financial resources allocated to the Cabinet. Public funds approved by Parliament as part of the national budget are transferred to the foundation in the form of lump sum payments. Once received, the funds are held and administered by the Foundation. Part of these funds are subsequently transferred to the Cabinet account,[13] after which portions are transferred back to the Foundation, mainly for the payment of staff costs.

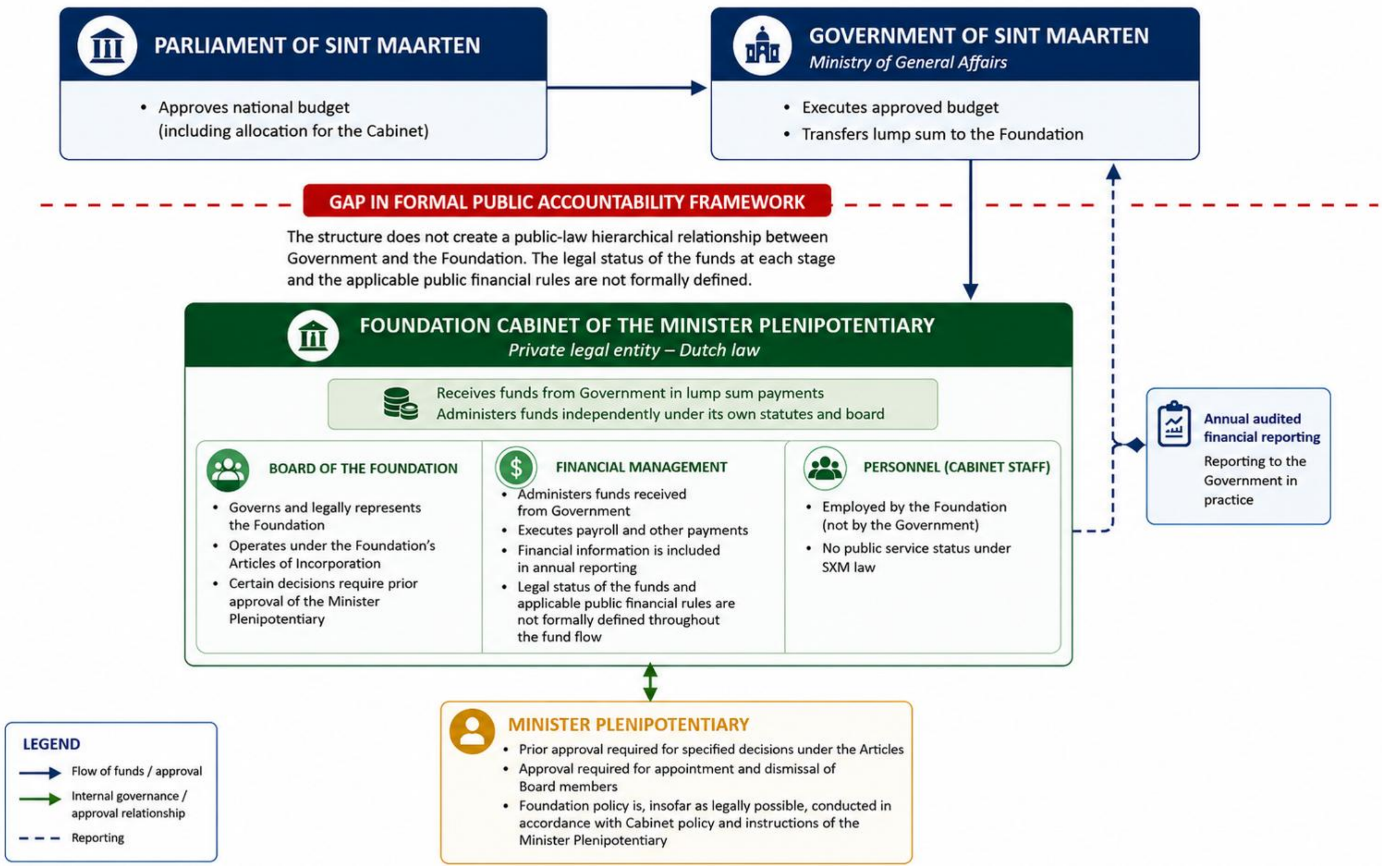
In practice, operational expenditures may be authorized by the Minister Plenipotentiary and/or the Director, while the Foundation performs employer-related and other administrative or legal acts within its private-law role. We did not identify a formal framework clarifying these responsibilities or the legal status and ownership of the funds at each stage of this process.

The governance of the Foundation is primarily determined by its Articles of Incorporation and its Board. The Board is responsible for governing the Foundation and represents the Foundation in legal matters. However, the Articles assign specific approval powers to the Minister Plenipotentiary. Prior approval of the Minister Plenipotentiary is required for decisions concerning the appointment and dismissal of Board members, amendments to the Articles of Incorporation, dissolution of the Foundation, the destination of the liquidation balance, mergers, and participation in other legal entities. Prior approval is also required before the Foundation may enter into agreements under which it acts as guarantor, joint and several debtors, or provides security for the debt of another party. The current Minister Plenipotentiary informed us that, during her period in office within the audit period, these approval mechanisms were not applied or requested in practice.[14]

These provisions establish specific private-law governance and approval rights of the Minister Plenipotentiary in relation to the Foundation. They do not, however, establish a public-law hierarchical relationship between the Foundation and the Government of Sint Maarten. The Foundation remains a separate private-law legal entity governed by its Articles of Incorporation and Dutch private law. Figure 2 schematically depicts the organizational relationships, flow of funds and oversight arrangements.

[11] Interview report with the Director of the Cabinet of the Minister Plenipotentiary, d.d. April 7th, 2026.
[12] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[13] ABN AMRO account documentation dated 21 August 2020 identifies the Cabinet of the Minister Plenipotentiary as the account holder. See Chapter 1 for the terminology used in relation to the Cabinet account
[14] Response of the Minister Plenipotentiary during the rebuttal phase, d.d. September 7th, 2026.

Figure 2: Organizational relationships, flow of funds and oversight



2.2.1 National Decree to appoint support to the Minister Plenipotentiary
In assessing whether the structure in practice is in line with the legal framework, it is relevant to consider the existing provisions concerning support to the Minister Plenipotentiary. A national decree containing general measures establishes the remuneration of a civil servant assigned to the office of the Minister Plenipotentiary.[15] This decree remains in force and was adopted following the formal legislative process, including approval by the Council of Ministers and advice from the Council of Advice.

The decree demonstrates that formal legal regulation of support to the Minister Plenipotentiary is possible and has, in fact, occurred. However, the decree only addresses one civil servant position. It does not regulate the broader Cabinet structure currently operating through the Foundation, nor does it define that structure's tasks, reporting lines, financial management obligations, or accountability requirements. This results in a situation where a legally established provision exists for limited support, while a significantly broader structure operates without a comparable legal basis.

2.3 Challenges in oversight
Pursuant to Article 42 of the National Accountability Ordinance, the Minister of General Affairs is accountable to Parliament for the funds allocated under the Ministry's budget. A portion of these funds are subsequently transferred to the Foundation. We did not identify a formal public-law mechanism defining how accountability for the subsequent use of these funds by the Foundation is connected to the Minister's budgetary accountability. This includes commitments entered into, payments made, assets acquired, and personnel costs incurred.

The Foundation is a private legal entity and is not, in its own capacity, subject to the same public financial-management framework that applies directly to Government. We did not identify a legal provision that subjects the Foundation itself to the requirements of the National Accountability Ordinance (NAO), concerning matters related to financial control, procurement procedures, and the preparation and submission of financial statements.[16] Its governance is primarily determined by its Articles of Incorporation and applicable private law.

At the same time, accountability and governance mechanisms exist in practice. Annual audited financial reporting is submitted to Government, and the Articles of Incorporation provide the Minister Plenipotentiary with specific approval rights, including in relation to the appointment and dismissal of Board members and certain decisions of the Foundation. These mechanisms should be distinguished from a formally established public-law accountability framework.

Funds allocated for Cabinet operations move between the Foundation and the Cabinet account. We did not identify a formal framework clarifying:

1. the basis and purpose of recurring transfers between the Foundation and the Cabinet account;
2. the ownership of the funds at each stage;
3. the respective accountability responsibilities; and
4. the financial-management rules that apply throughout the process.

This issue was already recognized when the initial funding arrangement was approved in 2011, when Government expressly stated that conditions needed to be established for the accounting and reporting by the Cabinet.[17] We did not identify evidence that this requirement resulted in a formally established accountability framework.

This makes it difficult to determine the respective responsibilities for oversight and accountability at different stages of the expenditure process. Based on the current structure, assets acquired by the Foundation using transferred funds appear to be held by the Foundation rather than by the Country of Sint Maarten. We did not identify a formal arrangement requiring such assets to be registered as public property or transferred to the Country.

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[15] AB 2017, GT nr. 4: Landsbesluit van de Regering van Sint Maarten houdende de vaststelling van de bezoldiging van de ambtenaar ten kantore van de gevolmachtigde minister van Sint Maarten.
[16] Confirmed in an interview with the Legal Advisor at the Cabinet of the Minister Plenipotentiary, d.d. April 8th, 2026.
[17] 2011 decision on funding arrangements, January 26th, 2011, DIV number 611.

Overall, the principal issue is the absence of a clearly established public-law framework connecting the Foundation's financial management and existing governance and reporting arrangements to the Minister of General Affairs' budgetary accountability and, through that accountability, to Parliament.

2.3.1 The importance of Financial Statements

Financial statements provide a structured overview of financial position, performance, and use of funds. They can support accountability to stakeholders, including Parliament, Government, and the public. In practice, the Cabinet prepares financial statements that are reviewed by a chartered accountant and provides insight into the Cabinet's activities and expenditures. This contributes to a degree of financial transparency.

However, the financial statements are prepared at the level of the Cabinet, which is not a legal entity. The audit found no formal basis in Sint Maarten legislation for the Cabinet's existence, composition, tasks, financial management, or accountability. Although the Foundation has legal personality under Dutch private law and its articles state that it supports the Minister Plenipotentiary,[18] this does not establish the Cabinet as a government organ or administrative unit of Sint Maarten, nor does it provide a public-law basis for its functioning. As a result, while the financial statements provide useful financial information, their legal status and accountability purpose remain unclear.

According to the Cabinet, the annual reporting includes financial information relating to both the Cabinet bank account and the Foundation and is submitted to General Affairs and Finance. The accountant confirmed that the financial statements are intended to account for revenues and expenditures attributed to KGM and to support inclusion in the Country's annual accounts. We did not identify a formal instrument defining the Cabinet as the reporting entity or specifying the legal responsibility for preparation, approval, and signature.[19]

2.4 Conclusion

We conclude that, although Government participated in establishing specific elements of the financial arrangements from the outset, the current structure has developed without a formalized public accountability framework. Private-law governance mechanisms and annual financial reporting are present in practice, and the Cabinet has made efforts to formalize several arrangements. However, these efforts were not followed by (sufficient) formal decision-making at government level. While the Foundation and Cabinet operate within the structure that has developed in practice, it is the responsibility of Government to create a clear legal and accountability framework for the use of public funds. In our view, the absence of such a framework over an extended period indicates that the governance and supervisory role of Government have been insufficient.

As a result, Parliament, Government, and the public have limited assurance regarding the use, control, and accountability of these funds.

[18] Articles of Incorporation of the Foundation Cabinet St. Maarten (in Dutch: *Stichting Kabinet Sint Maarten*), as amended on 24 February 2011.
[19] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.

3. THE WORK IN PRACTICE

During the audit, we identified several activities conducted in practice in support of the Minister Plenipotentiary, as well as internal policies and procedures developed to organize these activities and the operations of the Cabinet. The documents address a broad range of matters, including recruitment procedures, reporting structures, strategic priorities, operational planning, stakeholder coordination, archiving, governance arrangements, and internal administrative processes.

The legal and formal status of these documents differ depending on their subject matter. Some concern internal or employer matters within the Foundation's private-law sphere, such as internal personnel procedures for staff employed by the Foundation. Other documents go beyond the Foundation's role as employer, such as the draft governance and working agreements intended to clarify the relationship between the Cabinet, the Foundation, and the Ministry of General Affairs.

These matters cannot necessarily be established through internal Foundation policy alone. We found that several draft documents addressing such matters were prepared and submitted for further consideration but had not been formally adopted through Government. The existence of these documents is nevertheless relevant from an audit perspective because they demonstrate that awareness existed internally regarding the need for greater organizational structure as well as clarification of responsibilities.

3.1 The use of internal draft documents

The reviewed documents show that over time the Cabinet developed a broad range of operational activities and policy ambitions extending beyond the core constitutional representation role of the Minister Plenipotentiary within the Kingdom framework.

For example, the documents refer to activities relating to:

- economic and investment promotion;
- EU affairs;
- consular and diaspora support;
- cultural promotion;
- strategic advisory activities;
- stakeholder coordination;
- development-oriented projects.

We found that several of these activities evolved operationally through internal policy development rather than through explicit legal assignment or formal government authorization.

3.2 Consular Affairs

The Cabinet performs several administrative and facilitative activities that it describes as ‘consular affairs’. These activities are set out in the internal *Consulaire Zaken Beleid 2022*, which contains procedures relating to, among other things, civil-status documents, Attestatie de Vita, registration and deregistration, legalization of documents, travel and emergency documents, driver’s licences, VOG applications, deaths, and document examination.

For certain activities, additional arrangements exist. The Cabinet explained that, as part of the legalization process, it verifies the signature of the Department of Foreign Relations before documents proceed to the Dutch Ministry of Foreign Affairs.[20] For life certificates and mutation forms, a signed MOU with USZV provides a documented arrangement for the activities performed by the Cabinet.[21]

The *Consulaire Zaken Beleid 2022* demonstrates that these activities have been internally documented and organized. The activities primarily provide administrative and practical support in processes involving Sint Maarten residents and Government or other public institutions. However, we did not identify a formal Government decision or other overarching instrument defining the Cabinet’s role and responsibilities for the full range of activities described as consular affairs, except for the MOU with the USZV.

[20] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[21] MOU between USZV and the Cabinet of the Minister Plenipotentiary, d.d. October 25m 2021 on validation of life certificate and mutation forms.

3.3 Human Resource policies

We also reviewed internal HR-related procedures and recruitment policies developed within the Cabinet. These documents regulate matters such as recruitment, selection, assessments, internal approvals, reporting lines, and employment arrangements.

Personnel working at the Cabinet are employed by the Foundation under Dutch law. As the legal employer, the Foundation is responsible for employment contracts and compliance with applicable Dutch labor, tax, and social-security requirements. Personnel appointments, employment, and dismissals are consequently dealt with within the Foundation's private-law employer structure. The Minister Plenipotentiary has, however, also participated in certain personnel-related decisions in practice, including the selection of Directors and senior advisors.

The Cabinet confirmed that no comprehensive public-law framework formally establishes the applicability of the Government of Sint Maarten's HR regulations, staffing framework, salary structure or personnel-governance requirements to the Foundation.[22] We also did not identify a Government-established formation plan or staffing framework specifying the organizational structure, staffing levels, functions or salary parameters applicable to the Cabinet.

In practice, the Foundation has developed its own HR arrangements and procedures. Certain HR formats, performance-assessment practices, and salary references have voluntarily been based on or adapted from Government of Sint Maarten standards and Dutch public-sector practices. The Government HR Department is not directly involved in the employment matters of Foundation personnel.

3.4 Business Travel

We reviewed internal procedures and practices relating to official and business travel. According to the documentation provided by the Cabinet, official travel procedures are based on the "*Government travel policy for civil servants*" as well as a Council of Ministers decision relating to ministerial travel.[23]

In practice, travel takes place in connection with various representation and engagement activities, including networking, conferences, stakeholder meetings, international coordination, and strategic engagement initiatives. These activities have developed over time in response to political priorities and operational developments.

Travel is a means of supporting the activities of the Minister Plenipotentiary and the Cabinet and is not a separate task in itself. We note that the basis for the underlying activities should derive from the constitutional role of the Minister Plenipotentiary or from specific responsibilities or assignments provided by Government.

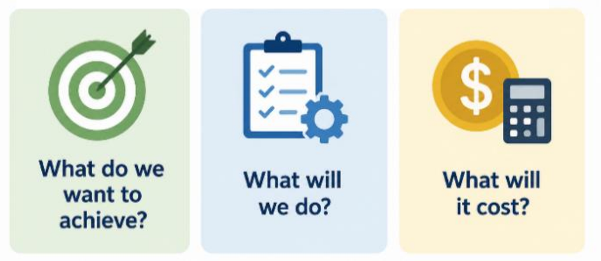
[22] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[23] Answers from the Cabinet to our initial questions d.d. March 20th, 2026.

4. FINANCIAL PROCESSESS AND ANALYSIS

Financial management within government covers the rules, processes, and actions for collecting, allocating, spending, and accounting for public funds. The objective is to manage public funds lawfully, efficiently, and effectively, with ministers accountable to Parliament.

During the budget process, ministries prepare policy or annual plans with the planned use of personnel and resources. These plans support the budget estimates and answer three questions: what do we want to achieve, what will we do, and what will it cost, also illustrated in figure 3. In this chapter, we assess how these elements apply to the financial management of the Cabinet and the Foundation structure in practice.

Figure 3: The three budget questions

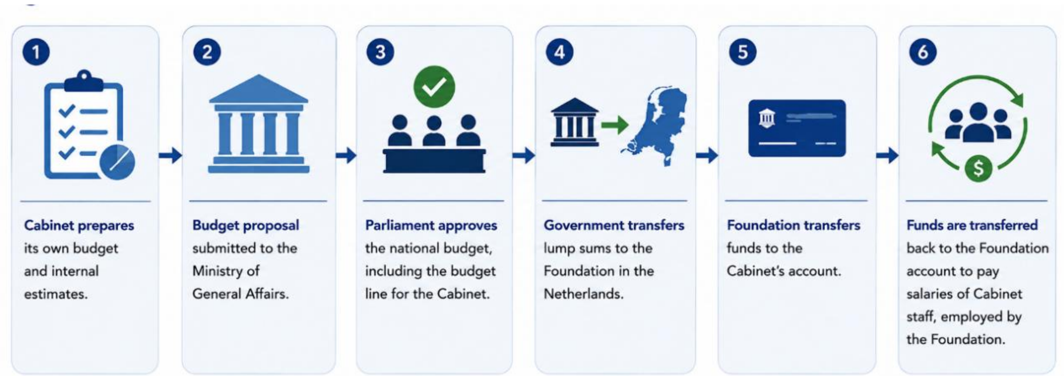


4.1 Budget allocation and process

The annual country budgets of Sint Maarten include a budget line for the "Cabinet of the Minister Plenipotentiary" under the Ministry of General Affairs. This means that the funds are formally approved within the public budget framework. The Cabinet of the Minister Plenipotentiary has an annual budget of approximately XCG 1.9 million.

In practice, the Cabinet prepares its own budget proposal and submits it to the Ministry of General Affairs. After approval of the national budget by Parliament, the allocated funds are transferred in lump sums to the Foundation in the Netherlands. The Foundation then transfers funds to an ABN AMRO bank account registered in the name of the Cabinet of the Minister Plenipotentiary. The documentation identifies the Cabinet as the accountholder. However, as the Cabinet does not have separately established legal personality, the documentation does not clarify the legal capacity in which the account is held.[24] The Minister Plenipotentiary is authorized to transact on the account, while the Director has signing authority to process invoice payments. Figure 4 depicts the flow graphically.

Figure 4: Flow of funds



This flow of funds creates a complex situation in which public funds are transferred to and administered by a private-law entity and subsequently move between the Foundation and the Cabinet account. Once transferred to the Foundation, the funds are no longer directly held within the financial administration of the Country of Sint Maarten.

The situation is further complicated at year-end. For example, the Cabinet's 2024 financial statements recorded a receivable of €533,922 from the Foundation,[25] meaning that the financial statements treat the Cabinet and the Foundation as separate parties. The amount concerned Government funds for the Cabinet that were still held by the Foundation at year-end. However, the Cabinet has no separate legal personality, which makes it unclear who legally holds the claim to these funds. This need for clarity is further increased by

[24] ABN AMRO account documentation dated 21 August 2020. The documentation identifies the Cabinet of the Minister Plenipotentiary as the account holder.

[25] Het Kabinet van de Gevolmachtigde Minister Sint Maarten in Nederland, Jaarstukken 2024, page 13.

the absence of separate financial statements for the Foundation, despite its Articles of Incorporation requiring the Foundation to prepare its own annual balance sheet and statement of income and expenses.[26]

We consider this relevant because we did not identify a formal framework clarifying the legal status and ownership of the funds at each stage of this process, the financial management rules that apply, or the respective accountability responsibilities.

4.2 Unclear authority to enter into financial obligations

Under the National Accountability Ordinance (NAO), responsibility for the management of budget functions rests with the minister charged with those functions. Formal authority to enter into legal acts on behalf of the Country must also be supported by the applicable mandate rules and the Rft-based mandate register. [27]

At the time of the audit, the most recent mandate register identified was the Mandaatregister Functionarissen, published in the Landscourant of 12 September 2025.[28] The register mentions that obligations exceeding XCG 5,000 may (apart from other requirements) only be entered into by a listed functionary after prior authorization by the Council of Ministers. The Minister Plenipotentiary is not listed in that register.

The Cabinet acknowledged that legal acts on behalf of the Country must be exercised in accordance with the applicable mandate framework. However, operational commitments entered into for the functioning of the Cabinet have been reflected in its annual budgets and funded through the Government budgetary process. The Cabinet also recognized that the current mandate framework would benefit from clarification so that the formal mandate arrangements reflect the operational responsibilities performed in practice.[29]

We could not confirm that the Minister Plenipotentiary or the Director were formally authorized to enter into financial obligations on behalf of the Country in relation to the Cabinet's operations.[30] Neither the Minister Plenipotentiary nor the Director is included in the mandate register.

Approval and funding through the annual budget process establish the availability of budgetary resources, but do not by themselves establish authority to enter into legal acts on behalf of the Country. We therefore did not identify a formal mandate under the applicable mandate framework authorizing the Minister Plenipotentiary or the Director to enter into such legal acts on behalf of the Country.

4.3 Substantive observations on financial management

The Cabinet shared their Manual KGSXM.[31] This document outlines subjects like the cabinet's mission, organizational structure, staffing, administrative procedures, financial processes, consular services, protocol rules, and the role of the Minister Plenipotentiary in Kingdom affairs. It functions as an internal operating guide for supporting the Minister Plenipotentiary. For this audit, we assessed whether the financial procedures were conducted in accordance with the relevant provisions of the Manual.[32] We also assessed whether these procedures provided reasonable assurance regarding the accuracy and completeness of recorded income and expenses. The review covered transactions recorded for the period 2021 through 2025.

We determined that:

- In no case was a purchase order attached to the invoices;
- In all cases, the invoices contained a completed approval stamp;
- In all cases, the approval stamp was initialed for "AKK PROCUREMENT" by the administrative employee and for "AKK DIRECTOR" by the Director;
- In no case did the documentation attached to the invoices provide a complete audit trail of the underlying control procedures relating to matters such as approval of the order, receipt and verification of goods or services, quality, available budget, and invoice verification (see: Manual, section 5.3.2, activity 6).

[26] Article 9 of the Articles of Incorporation of Stichting Kabinet Gevolmachtigde Minister Sint Maarten.
[27] Article 41 of the National Accountability Ordinance.
[28] National Gazette, 2025, no. 21, *Mandaatregister Functionarissen*, page 201.
[29] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[30] Article 21 of the Kingdom Act on Financial supervision for Curacao and St. Maarten.
[31] *Handboek KGSXM: ter bevordering van het succesvol functioneren van de Gevolmachtigde Minister en diens kabinet*, January 2024, version 2.
[32] Based on section 5.3 of the Manual.

The Cabinet indicated that, in addition to the approval stamps on invoices, other forms of prior approval are used for certain transactions, including petty-cash vouchers and electronic advice or memoranda. These forms of approval were not consistently linked to the invoice documentation included in the sample.[33] The reviewed invoices contained evidence of formal approval for payment. However, the supporting documentation linked to the sampled invoices did not provide a complete audit trail demonstrating the underlying control steps. In particular, the files did not consistently demonstrate the approval of the order, receipt and verification of goods or services, quality verification, budget availability, and other controls prescribed by the Manual. As a result, we could not verify from the documentation linked to the sampled transactions whether all relevant control activities were performed in accordance with the procedures described in the Manual.

4.4 Internal Control

Internal control refers to the measures the Cabinet uses to manage its risks, protect assets, prevent errors and fraud, and support the reliability of financial information. An important internal control measure is segregation of duties, which means separating responsibilities for approving, executing, and recording financial transactions.

From an internal control perspective, these responsibilities should, where practicable, be assigned to different persons. In particular:

1. Decisions to commit or spend funds should be separated from the management and execution of payments;
2. operational responsibilities should, where practicable, be separated from the custody of funds and assets; and
3. authorization, execution, and custody functions should be separated from the recording of transactions in the financial administration.

We recognize that the small size of the organization limits the extent to which full segregation of duties can be achieved. Where segregation is not practicable, other controls can be used to mitigate the resulting risks. The Cabinet indicated that it applies such controls, including periodic petty-cash reviews and additional approval for significant commitments.[34] We note that these controls provide additional checks but do not replace segregation of duties. Their effectiveness depends on their consistent application, documentation, and performance by a person sufficiently independent from the transaction concerned.

During the rebuttal phase, the Director of the Cabinet mentioned that the concentration of certain financial-administration duties was partly affected by the extended absence of the staff member ordinarily responsible for these activities.[35]

4.4.1 Findings

Decisions regarding financial obligations are taken by the Director and/or the Minister Plenipotentiary, while policy advisors, the consular employee, and the communications employee conduct the execution of activities. The administrative employee records financial transactions. We found a combination of incompatible functions regarding financial management. The Director is authorized to enter into financial obligations, approve payments, and manage the petty cash. These responsibilities normally should be separated as part of proper internal controls, even in a small organization.

As a compensating control, petty cash counts are periodically performed by another employee and compared to the cash records.

The audit found that the Manual KGMSXM contains several financial procedures. These include procedures for:

- receipt of funds;
- entering into financial obligations;
- invoice processing;
- cash management;
- financial reporting;
- salary payments.

[33] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[34] Idem.
[35] Response from the Director of the Cabinet, d.d. September 7th, 2026.

These procedures provide some structure for the Cabinet's financial administration. However, the procedures are incomplete in several areas. The Manual states that the Minister Plenipotentiary has a bank card for official expenses, but it does not describe how debit or credit card transactions should be authorized, documented, reviewed, reconciled, and monitored.

The Manual also does not fully describe procedures for:

- purchase orders before entering into obligations;
- confirmation of receipt or delivery of goods and services;
- electronic banking controls;
- documentation of internal control checks, such as invoice reviews, cash checks, budget checks, and payment approvals.

As a result, we conclude that a financial process is in place and can be improved by incorporating internal controls for all types of financial transactions.

4.4.2 Compliance

For certain costs relating to the (Deputy) Minister Plenipotentiary, the Cabinet applies a 2012 Council of Ministers decision.[36] This decision was adopted specifically for the deployment of the then-Deputy Minister Plenipotentiary to the Netherlands and provided for costs including housing and utilities, telephone and internet, travel, health insurance, and an official vehicle. The underlying advice expressly stated that it concerned only the deployment of that officeholder, and that salary and additional allowances would be addressed separately. Figure 5 shows the benefits granted under this decision.

Figure 5: Benefits for the (Deputy) Minister Plenipotentiary

4.4.3 Economy and efficiency

We also assessed the financial arrangements described in section 4.4.2 from an economy and efficiency perspective. Several arrangements do not contain financial limits. For example, no maximum amounts are established for telephone and internet expenses or for gas, water, and electricity costs. The maximum rental reimbursement of €1,500 has remained unchanged since 2012, and we did not identify an updated Government decision. Furthermore, we reviewed transportation costs. In 2024, the Cabinet maintained three vehicles, with total vehicle-related costs of €91,195 (approximately XCG 180,000). The Cabinet has since reduced the fleet with one vehicle having been sold and another scheduled for sale in 2026. This indicates that the vehicle requirements were reassessed and that opportunities existed to reduce related costs.

The Cabinet developed a draft deployment policy containing clearer arrangements for housing, travel, allowances, and official vehicles. The draft was submitted to Government but had not been formally adopted at the time of the audit.[37] Overall, the arrangements currently applied do not establish current limits or criteria for several recurring expenditures. The draft policy addresses these matters but has not yet been adopted.

4.4.4 Asset Management

The Cabinet maintains records of its fixed assets. We reviewed a detailed physical inventory prepared in 2021, which identifies individual assets and their locations, as well as a fixed-asset schedule as of December 31, 2024, used for financial reporting and containing information on asset values and depreciation. The two

[36] Decision of the Council of Ministers (MR 100912), and DIV number 3328-12, including underlying advice.
[37] Interview notes Legal Advisor at the Cabinet of the Minister Plenipotentiary, d.d. April 8th, 2026.

records serve different purposes: the 2021 inventory provides information on the physical assets and their locations, while the 2024 fixed-asset schedule provides the accounting information relating to those assets.

We did not identify evidence that the fixed-asset schedule is periodically reconciled with an up-to-date physical inventory to verify the existence, location, condition, and disposal of assets.

4.5 The Accountant's role in the accountability structure

We requested a written explanation from the external accountant regarding the annual financial statements of the Cabinet of the Minister Plenipotentiary and the basis on which audit opinions have been issued since 2020. According to the accountant, the Cabinet prepares annual financial statements to account for the revenues and expenditures attributed to the Cabinet and to facilitate inclusion in the financial statements of Country Sint Maarten. The accountant indicated that this practice has existed for many years and that audit opinions have historically been issued on the same basis.[38]

The accountant explained that the Foundation receives funds from the Government of Sint Maarten and employs personnel under Dutch law. The accountant further stated that obligations for most operational expenditures are entered into in the name of the Cabinet and under the responsibility of the Minister Plenipotentiary. For this reason, he considered the Cabinet, rather than the Foundation, to be the appropriate entity for financial reporting and audit purposes.

The Cabinet stated that the annual financial reporting includes information from both the Cabinet and Foundation accounts and is submitted to the Ministry of General Affairs and Finance.[39] This reporting practice provides financial information, but we conclude that it does not, by itself, resolve the formal question of which entity is legally responsible for the accounts, who is authorized to approve/sign them, or which public-law reporting obligation applies.

The accountant described the arrangement as a "grey area" and acknowledged that the flow of funds through the Foundation complicates the accountability structure. He stated that he had previously recommended that

1. The funds be transferred directly to the Cabinet through a separate bank account; and
2. That a formal cooperation agreement be established between the Foundation and the Cabinet regarding the provision of personnel.

With regard to the annual financial statements, the accountant stated that the Minister Plenipotentiary was considered responsible for preparing and signing the financial statements because, in his view, the Minister Plenipotentiary is responsible for operating within the approved budget of the Cabinet and for accounting for the expenditures incurred. The accountant further indicated that his reference to the National Accountability Ordinance relates to the financial reporting principles applied in the financial statements.

The accountant confirmed that his work primarily focused on the audit of the financial statements and the accuracy and legality of the expenditures reported therein. He did not perform a detailed assessment of the governance structure or of the legal status of the Cabinet. In explaining his audit approach, the accountant noted that he had been informed that the Minister Plenipotentiary was required to account for the activities of the Cabinet through annual financial statements and that he had directed his audit work accordingly.[40]

4.6 Conclusion

The governance and financial management of the Cabinet operate through a structure that combines the constitutional position of the Minister Plenipotentiary, an organizational Cabinet that is not a separate legal entity, and a Dutch private-law Foundation that employs personnel and administers funds used for Cabinet operations. Over time, internal policies, procedures, financial reporting practices, and other arrangements have been developed to support the functioning of this structure.

At the governance level, however, we found that important elements have not been formally defined. These include the legal status and ownership of funds as they move between the Foundation and the Cabinet account,

[38] Answers via email from 4you accountancy, d.d. June 14th, 2026.
[39] Response from the Cabinet of the Minister Plenipotentiary to the Memorandum of Findings, d.d. July 17th, 2026.
[40] Answers via email from 4you accountancy, d.d. June 14th, 2026.

the applicable financial-management framework, the formal reporting entity, and aspects of the governance and approval relationships between the Cabinet, the Foundation, and Government.

At the operational level, financial management controls are in place. Annual financial statements are prepared and audited, internal policies and procedures have been developed, invoices contain documented payment approvals, and records of fixed assets are maintained. We nevertheless identified areas where the financial management framework can be strengthened. These include the completeness and traceability of the audit trail supporting financial transactions, the concentration of certain financial duties, the periodic reconciliation of physical assets with the accounting records, and the documentation of compensating controls where full segregation of duties is not practicable.

We also found that several benefits and expenditures relating to the Minister Plenipotentiary and Deputy Minister Plenipotentiary continue to be based on a 2012 Council of Ministers decision. The decision contains open-ended arrangements and does not provide current limits or criteria for several recurring expenditures. A draft framework has since been developed that addresses several of these matters, but it had not been formally adopted at the time of the audit.

The findings therefore point to two distinct areas requiring attention: the formal governance and accountability framework established by Government, and the financial management and internal control practices applied in the day-to-day operation of the Cabinet and Foundation structure.

5. POSSIBLE APPROACHES TO IMPROVE GOVERNANCE AND ACCOUNTABILITY

Based on the audit findings, Government has several possible improvement paths. These options are not recommendations in themselves but represent structural choices available to Government. Each option has different implications for legality, accountability, operational continuity, implementation effort, and oversight.

5.1 Option 1: Formalize the structure through agreements

Government could retain the current structure, while formally defining the respective responsibilities, financial arrangements and accountability requirements of the parties involved. This option would build on governance and working agreements already developed by the Cabinet and Foundation and submitted to Government for consideration. Under this option, the Foundation could continue to perform functions for which its Dutch legal personality provides an operational basis, particularly its role as legal employer of personnel in The Netherlands and related administrative functions.

Formal working agreements could then regulate the relationship between Government, the Cabinet, and the Foundation, including

- the role and responsibilities of the parties;
- the transfer, permitted use, and accountability for Government funding;
- the legal status and ownership of funds and assets;
- the financial reporting and independent audit requirements;
- access to information by Government and the General Audit Chamber;
- asset ownership and inventory requirements;
- financial management and internal control requirements; and
- procedures for monitoring compliance with the agreements.

This option would preserve much of the existing operational structure while formalizing arrangements that currently rely partly on internal policies, private-law governance, and administrative practice. It may be implemented more quickly than establishing an entirely new statutory structure.

However, agreements cannot by themselves resolve matters that require a Government decision or a public-law basis. Government would therefore need to determine which elements can appropriately be regulated through agreements and which require formal Government decision-making or legislation.

5.2 Option 2: Discontinue the current structure and operate within Government

Government could decide to discontinue the current Foundation-based organizational structure and place the support provided to the Minister Plenipotentiary directly within the public administration of Sint Maarten. Under this option, the Minister Plenipotentiary would continue to perform the role defined under the Kingdom Charter, supported through a structure formally established within Government.

Depending on its design, this option could allow funding, financial management, reporting, and accountability to operate directly within Sint Maarten's public financial management framework. It would also provide an opportunity for Government to formally determine the staffing structure, responsibilities, reporting lines, and activities required to support the Minister Plenipotentiary.

This option would, however, involve significant practical and legal considerations. The Foundation currently serves as the legal employer of personnel in the Netherlands. Transitioning away from this arrangement would therefore require consideration of Dutch labour law, taxation, social-security and pension requirements, existing employment contracts, and possible transition costs. Government would also need to establish a legally and operationally workable mechanism for employing personnel based in the Netherlands.

5.3 Option 3: Establish a formal legal framework for the Cabinet

Government could formally establish the organizational and governance framework supporting the Minister Plenipotentiary. Under this option, Government would determine the appropriate legal form and formally define the position, responsibilities, governance, financial management, and accountability arrangements of the Cabinet. The framework could address:

- the organizational position and responsibilities of the Cabinet;
- its relationship with the Minister Plenipotentiary and Government;

- the role and responsibilities of the Director;
- staffing arrangements;
- financial management and internal control requirements;
- reporting and accountability obligations;
- access to information by the General Audit Chamber; and
- the treatment and administration of funds and assets.

This option would provide an opportunity to formalize the broader structure that has developed in practice and to determine which existing activities and arrangements should form part of that structure. Government would need to determine the appropriate legal instrument and the extent to which existing private-law arrangements involving the Foundation should be retained.
Compared with formalization primarily through agreements, this option could provide greater institutional clarity and permanence, but may require more extensive legal preparation, Government decision-making, and implementation.

We do not prescribe which option Government should choose. The options illustrate that the existing structure can be addressed in different ways, ranging from further formalization of the current arrangements to a fundamentally different organizational model. In making this choice, Government should take account of the existing operational arrangements and governance mechanisms, including the Foundation's role as legal employer, the internal procedures developed by the Cabinet, annual financial reporting and auditing, and the initiatives already undertaken to formalize the structure.

Regardless of the option selected, the remaining uncertainties identified in this audit should be addressed, particularly those concerning the legal status and accountability of public funds, the respective responsibilities of the parties involved, financial reporting, and the formal governance relationship between the structure supporting the Minister Plenipotentiary and Government.

6. OUR EPILOGUE

The General Audit Chamber wishes to express its appreciation for the excellent cooperation received throughout this audit from the Minister Plenipotentiary, the Cabinet of the Minister Plenipotentiary, the Minister of General Affairs, and the Secretary-General of General Affairs. Their openness, availability, and constructive contributions, including during the consultation process, assisted us in developing this report.

The recommendations in this report address important matters concerning governance, financial management, and accountability for public funds. Their implementation will require the involvement of several parties and, in some cases, decisions at the Government level.

The General Audit Chamber considers continued attention to these recommendations important. We will therefore follow up on their implementation and report on progress where appropriate.

General Audit Chamber

Algemene Rekenkamer